AIR POUCH — PRIORITY — SECURITY CLASSIFICATION (with RESTRICTED sections) — SPACE

139

714.00(W)/8-853

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, GUATEMALA — 119 DISP. NO. — August 8, 1953

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : —

Action Assigned to

Action Taken

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	RECD	O OTHER
1r	Aug 11	ARMY NAVY AIR State of Action

SUBJECT: Joint Weeka No. 32 for State, Army and Air Departments from Sec.- Section I — Action Office Symbol

Name of Officer

DECLASSIFICATION DATE WAIVER
PER [illegible] OFFICE ARA
REASON FOR CHANGE NO. [illegible]

The Arbenz Administration this week tacitly permitted its prestige to be put behind the local Communist group when Sr. Augusto CHARNAUD MacDonald, Minister of the Interior, Sr. Jaime DIAZ Rozzotto, Secretary General of the President's executive office, and other officials and politicians shared the speaker's platform with Sr. José Manuel FORTUNY, Secretary General of the Guatemalan Labor (Communist) Party, at a Korean armistice rally held in a Government school auditorium where the speeches sounded the keynote that the armistice represented a victory of the "World Peace Movement" over "American imperialism". The incident appeared to represent another gesture of defiance to the OEECA's anti-Communist "Managua Resolution" and the accumulated foreign and domestic pressures on the Guatemalan Government to cease its collaboration with Communists.

Leftist influence on local information outlets was heightened when Sr. Carlos ALVARADO Jerez, a professed Communist, was named to the newly-created Office of Director General of Radio Broadcasting.

In the military sphere, Colonel Carlos Enrique DIAZ, Chief of the Armed Forces, in a private conversation expressed disgust that Colonel Carlos PAZ Tejada, one of his predecessors, and Major Marco Antonio FRANCO, a deputy, had attended the recent Budapest meeting of the "World Peace Council".

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DOMESTIC AFFAIRS
(Restricted)

Official Support of Communist Celebration of Korean Armistice:
In a public demonstration of the Arbenz Administration's cooperation with the local Communist group, Sr. Augusto Charnaud MacDonald, Minister of the Interior, Sr. Jaime Díaz Rozzotto, Secretary General of the President's executive office, and

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Col. Carlos Paz Tejada, former Chief of the Armed Forces, were among the principal speakers at Korean armistice rally staged on July 31 by the National Peace Committee on the keynote that the armistice represented a victory for the "World Peace Movement", the U.S.S.R., Communist China and North Korea over "American imperialism".

In his address, Sr. Charnaud MacDonald called for further efforts for "peace" to avoid continued exploitation by "great monopolies", while Sr. Díaz Rozzotto spoke of the Korean armistice as another step towards the establishment of a socialist world. Col. Paz Tejada, who recently returned from the Budapest "Peace" meeting, labelled the truce as a victory of "right" over "force" and called for further negotiation to assure peace in other areas. Other speakers on the platform were bluntly anti-American, an unnamed orator being quoted as saying that "Never in history has the United States suffered such a crushing defeat" and Sr. José Manuel Fortuny, Secretary General of the Communist Partido Guatemalteco del Trabajo, as stating that the truce was a triumph over the "American aggressors" by the Chinese and Korean peoples and the "Partisans of Peace" whose standard-bearer was the Soviet Union.

President Arbenz did not attend the meeting or publicly endorse it. But since the rally was attended by ranking Administration officials and political leaders and Army officers subject to his discipline and dependent on his good will, it was evident that there was more than official tolerance for it and that in a sense it represented a gesture of defiance of the anti-Communist "Managua Resolution" of the OEECA and other pressures to cease collaboration with the Communists.

In contrast to this rally, the Opposition did comparatively little to uphold the United Nations' position in Korea. El Imparcial, the nation's leading newspaper, ran a further editorial presenting the view that aggression had been stopped (Weeka No. 31) but the rest of the Opposition press carried only inside page articles debunking the Communist claims. The anti-Communist opposition, too disorganized and intimidated for effective action, neither held meetings nor issued manifestos.

Left Increases Congressional Majority: The National Electoral board this week certified the election of Sres. Ricardo BARRERA and René RUBIN, pro-Administration "independent" candidates, as deputies from the Department of Alta Verapaz after the authorities had released Sr. Barrera who had been arrested in an apparent move to keep him from entering Congress (Weeka No. 31). Both had been expelled from the Partido Acción Revolucionaria (PAR) for opposing the official PAR candidates

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and it is uncertain with which of the Administration parties they will be seated since Sr. Barrera refused to tell the press his intentions and Sr. Rubin said he would support the "representatives of the CGTG" to which he belongs.

The National Electoral Board is also expected shortly to certify the by election in Escuintla which was won by a PAR candidate. The majority of the leftist Administration parties will thus be increased to 51-5.

PSYCHOLOGICAL
(Restricted)

The Administration's veiled but perceptible intention to tighten up radio broadcasting control (Weekas No. 21 and No. 22) moved a concrete step forward on August 4 when, despite considerable criticism and alarm in the independent press, the Ministry of Communications and Public Works installed Carlos Alvarado Jerez, Director of the official station TGW and a professed Communist, as Director General of Radio Broadcasting in Guatemala. According to the newspapers, Sr. Alvarado will have complete authority over the Government-owned stations, of which there are now three in operation and two projected, and will exercise supervision "limited to technical, cultural and artistic aspects" over private stations.

The independent daily El Imparcial editorially called on the Government to make a clear statement of Alvarado Jerez' powers to supervise and censor broadcasting and at the same time attacked a proposed law which it said would place all radio activities under stringent official control. The draft bill, whose text has not yet been made public, would presumably establish the boundaries of Sr. Alvarado's authority. It was described by El Imparcial as a "death blow" to freedom of expression on the air.

MILITARY
(Confidential)

Armed Forces Chief Expresses Disgust at Officer's Pro-Communist Activities: Col. Carlos Enrique Díaz, Chief of the Armed Forces, who recently returned from Europe, was quoted as stating in a private conversation this week that he was surprised and disgusted at learning that during his absence Col. Carlos Paz Tejada, former Chief of the Armed Forces, and Maj. Marco Antonio Franco, deputy and ex-Governor of the Department of Guatemala, had attended the Budapest "World Peace Council" meeting. Col. Díaz has consistently professed to

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be opposed to Communism in the Army and has taken the position that officers should be apolitical. Both officers are technically off the active list; Col. Paz Tejada is engaged in a highway engineering survey for a private company and Maj. Franco is a deputy in Congress.

Superior Defense Council: The annual installation of the newly-elected officers on the Superior Defense Council, the policy board of the Armed Forces, took place on August 3, 1953. The new officers were headed by Lt. Colonel Carlos H. SARTI, President; Col. Bernardo J. ORDONEZ, Vice President; Maj. Daniel CACERES, First Secretary; and Col. Agustin DONIS Loesttler, Second Secretary; all of whom are considered Arbenz men. The Army's non-political character was underscored by the outgoing President, Col. Meyer, who said it pursued a policy of "non-intervention either in favor of or against interests foreign to its mission".

AMERICAN INTERESTS
(Restricted)

In the current dispute between the U.S.-owned Empresa Electrica and the union of its workers (Weeka No. 31), Mr. Stephen A. Hammond, Manager of the company, filed a complaint with the Ministers of Economy, Interior and Communications that the Government auditors assigned to examine the company's operations were exceeding the authority of the order by which the Government assumed temporary control of the company's public services and were prying into the company's affairs to a degree not warranted by their ostensible aim of settling the wage dispute. Both the company and the union were awaiting a Labor Court decision as to whether the strike was "just".

Rudolf E. Schoenfeld

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